

ORGANIZATION OF CALIFORNIA PROFESSIONAL CORPORATIONS

Business corporations authorized to issue stock, excluding such special organizations as cooperatives, credit unions, etc., are organized under the General Corporation Law, and particularly Title 1, Division 1, Chapter 2, California Corporations Code.

California Corporations Code Sections 200-202 outline the minimum requirements of Articles of Incorporation for stock corporations. Section 13400, et seq. of the Code specifically deals with statutory professional corporations. The attached sample has been drafted to meet minimum statutory requirements. The sample may be used as a guide in preparing documents to be filed with the Secretary of State to incorporate. It is, however, suggested that you seek private counsel for advice regarding the proposed corporations specific business needs, which may require the inclusion of special permissive provisions. Not all professions are authorized to form as professional corporations. For verification as to the acceptability of a particular profession, please contact the California State Board or Agency having jurisdiction over that profession.

THE FEE FOR FILING ARTICLES OF INCORPORATION ON BEHALF OF A STOCK CORPORATION IS \$100.00.

PLEASE NOTE: Businesses incorporating in California are subject to California corporation franchise tax requirements as provided by the Revenue and Taxation Code until such time as they formally dissolve. Questions regarding franchise tax requirements must be directed to the Franchise Tax Board at 1-800-852-5711.

The original and at least two copies of the Articles of Incorporation should be included with your submittal. The Secretary of State will certify two copies of the filed Articles of Incorporation without charge, **provided that copies are submitted to the Secretary of State with the original to be filed.** Any additional copies submitted with the original will be certified upon request and payment of the \$8.00 per copy certification fee.

A \$15.00 **special handling fee** is applicable for expedited processing of documents delivered in person at the public counter in the Sacramento Headquarters Office or in any of the branch offices located in Fresno, Los Angeles, San Diego, and San Francisco. The \$15.00 special handling fee must be remitted by separate check for each submittal and will be **RETAINED WHETHER THE DOCUMENTS ARE FILED OR REJECTED.** The special handling fee does not apply to documents submitted by mail.

When forming a new corporation you may need to contact one or more of the following agencies for additional information:

- ◆ The Franchise Tax Board - for information regarding **franchise tax** requirements.
- ◆ The Board of Equalization - for information regarding **sales tax** and/or **use tax** liability.
- ◆ The Commissioner of Corporations - for information regarding **issuance** and **sale** of securities in California; Franchise Investment Law; Personal Property Brokers Law and/or Escrow Law requirements.
- ◆ The Department of Consumer Affairs - for information regarding **licensing** requirements.
- ◆ The Employment Development Department - for information regarding **disability unemployment insurance tax**.
- ◆ The Director of Industrial Relations, Division of Worker's Compensation - for information regarding **workman's compensation** requirements.
- ◆ The city and/or county clerk and/or recorder where the principal place of business is located - for information regarding business licenses, fictitious business names (if doing business under a name other than the corporate name), and for specific requirements regarding zoning, building permits, etc. based on the business activities of the corporation.
- ◆ Internal Revenue Services (IRS) - for information regarding federal **employee identification numbers**.

The Secretary of State does not license corporations or business entities. For licensing requirements, please contact the city and/or county where the principal place of business is located and/or the state agency with jurisdiction over the business, e.g. Contractors' State License Board.

Samples are also available for the incorporation of California **general stock** and **close** corporations and for the various classifications of California nonprofit corporations.

Documents can be mailed or hand delivered for over the counter processing to the Sacramento Headquarters Office at:

Business Programs Division (916) 653-2318
1500 11th Street
Sacramento, CA 95814
Attention: Document Filing Support Unit

OR

can be hand delivered for over the counter processing to any of the branch offices located in:

- ♦ Fresno (559) 243-2100
2497 West Shaw Avenue, Suite 101
Fresno, CA 93711
- ♦ Los Angeles (213) 897-3062
The Ronald Reagan Building
12th Floor South Tower, Room 12513
300 South Spring Street
Los Angeles, CA 90013-1233
- ♦ San Diego (619) 525-4113
1350 Front Street, Suite 2060
San Diego, CA 92101-3690
- ♦ San Francisco (415) 557-7047
455 Golden Gate, Suite 7300
San Francisco, CA 94102-3660

- NOTE:**
- Cash is not accepted in the Los Angeles or San Diego branch offices.
 - Duplicate original documents must be submitted when filing in any of the branch offices.
 - Branch offices do not process mailed in documents.

INSTRUCTIONS:

To incorporate you may prepare documents following the sample provided. Documents **must** be typed with letters in dark contrast to the paper. Documents submitted which would produce poor microfilm will be returned unfiled. Articles of Incorporation may be drafted to include all required provisions and any statutorily permissive provisions, including initial directors. The Secretary of State does not have samples containing permissive provisions.

Article I - is to be completed with the name of the corporation exactly as the name is to appear on the records of the Secretary of State. The name of a professional corporation may be restricted by the rules and regulations of the profession. It is suggested that you contact the regulatory agency regarding name style requirements.

Article II - cannot be modified with the exception of the inclusion of the type of profession being incorporated. The statement has been taken directly from the California Corporations Code as is required by law.

Article III - is a required statement. Articles of Incorporation must state that "this corporation is a professional corporation within the meaning of Part 4, Division 3, Title 1, California Corporations Code" or that "this corporation is a professional corporation within the meaning of the Moscone-Knox Professional Corporation Act."

Article IV - is to be completed with the name and California address, or physical location, of the agent for service of process. The designated agent, individual or corporation, **must** agree to accept process on behalf of the corporation prior to designation. A proposed corporation cannot designate itself as agent for service of process. When designating another corporation as agent, the agent corporation **must** have on file, with the Secretary of State, a statement pursuant to Section 1505, California Corporations Code. When a corporate agent is used, the address of the designated corporation is not to be included in the articles.

Article V - is to be completed with the total number of shares that the corporation is authorized to issue.

NOTE: Before shares of stock are sold or issued the corporation must comply with the Corporate Securities Law administered by the Commissioner of Corporations. For information regarding permits to issue shares please contact that agency.

The Articles of Incorporation must be originally signed by an incorporator unless directors are named in the articles. If directors are named in the articles, each person named must sign and acknowledge the document. The name(s) of the person(s) signing must be typed directly below the signature(s).

The original and at least two copies of the completed documents are then mailed or hand delivered to the Secretary of State, together with the applicable fee. (If documents are being hand delivered for filing in the San Francisco, Fresno, Los Angeles or San Diego branch office, a duplicate original is also required.)

To expedite processing, Articles of Incorporation submitted by mail should be accompanied by a self-addressed envelope and a letter referencing the proposed corporate name as well as your own name, telephone number and return address.

ARTICLES OF INCORPORATION

I

The name of this corporation is _____ (NAME OF CORPORATION) _____.

II

The purpose of the corporation is to engage in the **PROFESSION** of _____ and any other lawful activities (other than the banking or trust company business) not prohibited to a corporation engaging in such profession by applicable laws and regulations.

III

This corporation is a professional corporation within the meaning of Part 4, Division 3, Title 1, California Corporations Code.

IV

The name and address in the State of California of this corporation's initial agent for service of process is:

Name _____

Address _____

City _____ State **CALIFORNIA** Zip _____

V

This corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is _____.

(Signature of Incorporator)

(Typed Name of Incorporator), Incorporator